2005

Medicare Fee Schedule

and

Hospital Outpatient Prospective Payment System

For Audiologists

On November 15, 2004, the Centers for Medicare and Medicaid Services (CMS) published the 2005 Medicare Physician Fee Schedule (MPFS) and the 2005 Hospital Outpatient Prospective Payment System (OPPS) in the *Federal Register*. This ASHA document provides an overview of both the MPFS and the OPPS, comments on relevant revisions, and reproduces a listing of all the procedures used by audiologists, the actual national average payment amounts, and describes three methods for accessing the exact payment figure based on your geographic location. To give audiologists the most concise and accurate information available in one location, ASHA carefully analyzes over 1000 pages of CPT codes and payment policies from the Federal Register and AMA CPT Manual.

For additional information, please contact Neela Swanson by e-mail at nswanson@asha.org or by phone at 800-274-2376, ext. 4387.

TABLE OF CONTENTS

OVERVIEW

On November 15, 2004, the Centers for Medicare and Medicaid Services (CMS) published the 2005 Medicare Physician Fee Schedule (MPFS) and the 2005 Hospital Outpatient Prospective Payment System (OPPS) in the *Federal Register*. These Medicare payment rates apply to audiology Medicare Part B services except for those audiology services provided to hospital outpatients. Payment for hospital-based outpatient audiology services are made under the hospital Outpatient Prospective Payment System (OPPS). See **Table 5** for payment rates and OPPS methodology.

The conversion factor, the multiplier that converts relative value units to payment amounts, was increased from the 2004 level by 1.5% to $37.8975. The Practice Expense relative value units (RVUs) include time spent by audiologists performing the procedure and overhead based on expense per hour averaged across all specialties for those procedures that have no physician work RVUs. CMS continues to study alternatives to this methodology and will propose any modifications in future proposed regulations.

Table 1 illustrates the impact on payment for audiology services when not accepting Medicare assignment.

Table 2 is a topical list of codes used by audiologists and related health care professionals. The codes are grouped to differentiate the audiology categories.

Table 3 is the complete list of procedures in numerical order with the RVUs and national fee data.

Table 4 lists the geographic adjustments indices for the fee schedule.

Table 5 is a list of hospital 2005 audiology OPPS payment rates grouped by ambulatory payment classifications (APCs).

Table 6 lists relevant audiology ambulatory payment classifications (APCs) under hospital OPPS.

NEW DEVELOPMENTS

Evaluation of Central Auditory Function - New CPT Codes 92620 & 92621

The ASHA Health Care Economics Committee developed and the CPT Editorial Panel accepted new central auditory function evaluation procedures, effective January 1, 2005. Until 2005, audiologists' reimbursement rates were limited to a single code. CPT 92589 is deleted beginning in 2005 and replaced with the new codes.

CPT 92620: Evaluation of central auditory processing, with report; initial 60 minutes $45.48
CPT 92621: each additional 15 minutes $11.75

Tinnitus Assessment - New CPT Code 92625

The Health Care Economics Committee was also able to bring forward a new procedure for the CPT Editorial Panel that describes tinnitus assessment. Until 2005, there was no CPT code available for reporting this procedure. Starting on January 1, 2005, audiologists will be able to use CPT 92625 for assessment of tinnitus (includes pitch, loudness matching, and residual masking).

CPT 92625: Tinnitus assessment (includes pitch, loudness, matching, and masking) $44.72

Aural Rehabilitation – Medicare Limits Audiology to Diagnostic Services Only

Medicare policy manuals no longer include the statement: "There is no provision for coverage of therapeutic services performed by private audiologists or audiologists on the staff of a clinic which is not physician-directed." The statement inferred that aural rehabilitation services were covered when provided by an audiologist in a physician-directed setting such as a hospital or physician practice. The deletion of the statement was replaced with the note that "There is no provision for direct payment to audiologists for therapeutic services." Additionally, aural rehabilitation billed as 92506 or 92507 under the "incident to physician's services" provision of Medicare must be provided by a speech-language pathologist because of the therapy aspect of the service.

Vertical Electrode Recording - CPT +92547

The 2005 Medicare payment for vertical electrode recording (CPT +92547) now reflects the actual time to perform the add-on procedure rather than the time of a typical vestibular function test battery. The payment for 2005 is $5.31 compared to $45.18 in 2004. ASHA recommended in its comments that the agency inform fiscal intermediaries and carriers that the 2005 rate reflects single add-on rates. CMS responded that ASHA should collaborate with the American Medical Association (AMA) to publish guidelines for CPT +92547 stating that the code may be billed as an add-on procedure each time it is used in conjunction with a separate vestibular function test.

Revision of Geographic Adjustments to National Fees

The Geographic Practice Cost Indices (GPCIs) underwent a three-year adjustment cycle based on U.S. Census data, employee wage indices, and fair market rent data. The 2005 GPCI adjustment **(see Table 4)** is increased by one to two percent in some localities and remains essentially the same in most other localities.

Initial Preventive Physical Examinations

Effective January 1, 2005, Medicare will cover preventive physical exams during a beneficiary's first six months of coverage under Medicare Part B. The examination may be administered by a physician, physician assistant, nurse practitioner, or clinical nurse specialist. Under "Review of the individual's functional ability and level of safety," the exam must include, at a minimum, a review of hearing impairment, activities of daily living, falls risk, and home safety.

ASHA submitted references to peer-reviewed articles supporting the use of a screening audiometer for hearing screens. The use of a standardized screening questionnaire was shown to be less reliable. Nevertheless, CMS determined that the physician can perform the screen through the use of appropriate screening questions or a standardized hearing screening questionnaire. If abnormalities are identified, CMS stated that the physician is to render education, counseling, and referral, as deemed appropriate.

Telehealth Services

In the 2005 final rule, CMS responded to requests submitted in 2003 for new telehealth services. The agency listed ten professional societies that argued for inclusion of services as reimbursable for telehealth services, but singled out audiology, speech-language pathology, and dialysis services under "Report to Congress." ASHA's comments described successful telehealth applications occurring in (1) intraoperative monitoring, (2) audiologic diagnostics, (3) vestibular function testing, (4) aural rehabilitation, and (5) fitting of digital hearing aids. One example ASHA provided was a university medical center that, because of the needs of an isolated rural population, developed an Internet-based hearing assessment that accesses an audiometer via an Internet protocol network. CMS must submit the report to Congress in January, 2005, and stated that it is "considering the suggestions raised by the commenters as we formulate our recommendations to the Congress."

PAYMENT RULES OF THE MEDICARE FEE SCHEDULE

The Medicare Physician Fee Schedule (MPFS), also referred to as the Physician Fee Schedule or Medicare Fee Schedule, is based on Current Procedural Terminology (CPT) codes in the Health Care Common Procedural Coding System (HCPCS).[1] The MPFS has set Medicare Part B[2] prospective payment rates since 1992 for audiologists, physicians, other private practitioners and medical clinics. Reimbursement for outpatient rehabilitation services in such facilities as hospitals, skilled nursing facilities, and rehabilitation agencies was included in the MPFS in 1999. The MPFS includes both facility and non-facility rates. The Centers for Medicare and Medicaid Services (CMS), formerly the Health Care Financing Administration, determined that the higher non-facility rates apply to audiology and speech-language pathology services (as well as to physical therapy and occupational therapy) even when rendered in a facility[3]. However, outpatient payment for audiology services that are hospital-based are paid under the outpatient prospective payment system.

Standard 20% Copayment

All Part B services require the patient to pay a 20% co-payment. The RBRVS fee schedule does not deduct the copayment amount. Therefore, the actual payment by Medicare is 20% less than shown in this fee schedule.

Geographic Adjustment of the Fee Schedule

You may request a fee schedule adjusted for your geographic area from the Medicare carrier or fiscal intermediary that processes your claims. You may also visit the CMS Web site at: http://www.cms.hhs.gov/physicians/mpfsapp/step0.asp. Click "start" at bottom of the page. Then select your geographic area for a list of exact payment rates. In general, specific urban areas that have higher labor costs also have payment rates that are 5% to 10% above the national average. Conversely, rural states and rural areas have rates that are lower than the national average. **(See Table 4 – Geographic Practice Cost Indices)**

"Limiting Charge"

Independent audiologists paid by Medicare as private practioners under the fee schedule may elect to be "nonparticipating" without opting out of the Medicare program. This status allows payment at a higher rate than specified in the fee schedule if the audiologist does *not* accept assignment. Medicare payment is made directly to the provider when accepting assignment instead of the patient (except the 20% co-payment for which all Part B patients are responsible).

Nonparticipating audiologists who do not accept assignment can add a *limiting charge* of up to 15% to the total fee schedule amount, as long as the 115% result does not surpass the audiologist's customary fee for that particular CPT code. The net gain for the audiologist is 9.25% (not 15%) because nonparticipating practitioners are reimbursed at 95% of the fee schedule amount.

The following calculations in **Table 1** illustrate fees without and with the limiting charge add-on. (The limiting charge does not apply to employees or contractors of physician practices. Reference in *Medicare Carriers Manual: Sections 15032 and 17002.)*

---

[1] HCPCS Level I: CPT Codes
HCPCS Level II: Alphanumeric codes developed by CMS for equipment, supplies, and procedures not described in CPT Codes.

[2] Medicare Part B covers outpatient services and inpatient physician visits. Rehabilitation and diagnostic services are covered by Part B after depletion of the Part A 100-day skilled nursing facility stay or 90-day hospital stay or disqualification of skilled nursing status.

[3] *Federal Register*, July 22, 1999 (p. 39623)

TABLE 1: Impact of Assignment on Medicare Payments

	Scenario 1: *Participating Provider Accepts Assignment (not entitled to limiting charge add-on)*	**Scenario 2**: *Nonparticipating Provider Accepts Assignment (not entitled to limiting charge add-on)*	**Scenario 3**: *Nonparticipating Provider Does Not Accept Assignment (thus, entitled to limiting charge add-on)*
Fee Schedule Amount	$100	$100	$100
Total Allowed Payment	$100	$100 x 95% = $95	$100 x 95% x 115% = $109.25 total allowed payment
Medicare Pays	80% x $100 = $80	80% x $95 = $76	Not applicable
Patient Pays	20% x $100 = $20	20% x $95 = $19	$76 + $19 (20% co-pay x $95) + $14.25 limiting charge add-on = $109.25

Modifiers

Most CPT codes represent "typical" visit lengths or times to conduct a typical test, unless the time is specified in the CPT descriptor. For significantly atypical procedures, a **modifier "-22"** can be used to indicate much longer than normal procedures and a **"-52" modifier** for an abbreviated procedure. Modifier "-22" should not be used frequently because a fiscal intermediaries or carriers expect the procedure billed to reflect typical service delivery.

Designation of Time

The CPT/HCPCS procedures for audiology do not include time designations except for evaluation of central auditory function (92620) and each additional 15 minutes for the central auditory function evaluation (92621). Other procedures represent the typical time for performing the test.

Relationship to Non-Medicare Payers

Many state Medicaid programs and private health plans, including HMOs and PPOs, have adopted the MPFS while designating their own conversion factor. ASHA members may wish to negotiate with non-Medicare payers. Audiologists may request that payers negotiate their rates using such resources as the ASHA publication, ***Negotiating Health Care Contracts and Calculating Fees: A Guide for Speech-Language Pathologists and Audiologists***, rather than adopt the MPFS rankings. This publication (Item #0112450) can be ordered from ASHA Product Sales at 1-888-498-6699 or online at http://www.asha.org/shop.

ASHA Participation in American Medical Association Relative Value Committees

ASHA represents the audiology profession in both the American Medical Association (AMA) Relative Value Update Committee (RUC) and the AMA CPT Editorial Panel. The ASHA Health Care Economics Committee (HCEC) coordinates recommendations from ASHA members and related organizations in developing new procedures for adoption by the CPT Editorial Panel. The Committee also conducts surveys and holds consensus panel meetings to develop data that are presented to the American Medical Association (AMA) and CMS to develop fees. Audiology members of the HCEC are Constance Barker, Kyle Dennis, Robert Fifer (ASHA advisor to AMA, RUC HCPAC), Thomas Rees, and Martin Robinette. For further information, contact Steven White, Director of the Health Care Economics and Advocacy Team, at 800-274-2376, ext. 4126; or swhite@asha.org.

TABLE 2: TOPICAL LIST OF CODES♦

Use this topical list to locate codes in Table 3

Vestibular Function Studies	Audiometric Tests			Electrophysio-logic/Audio-metric Tests	Audiology Related	Aural Rehabilitation	Cochlear Implant Services
92541	92551	92563	92576	92584	69210*	92507	92601
92542	92552	92564	92577	92585		92510**	92602
92543	92553	92565	92579	92586			92603
92544	92555	92567	92582	92587			92604
92545	92556	92568	92583	92589			
92546	92557	92569	92596				
92547	92559	92571	92620				
92548	92560	92572	92621				
	92561	92573	92625				
	92562	92575					

*CPT 69210: Current CMS Policy considers removal of cerumen to be part of audiologic diagnostic testing and not paid separately. Under Medicare, CPT 69210, "Removal of impacted cerumen, one or both ears," is not recognized. Rather, a physician can use CMS code G0268: "in those unusual circumstances when an employed [or contracted] audiologist who bills under a physician UPIN number performs audiologic function testing on the same day as removal of impacted cerumen requiring physician expertise for removal." (*Federal Register*, December 31, 2002, pp. 80011-12)

**CMS does not recognize CPT 92510, "Aural rehabilitation following cochlear implant." Audiologists are limited to reporting 92601-92604 under the Medicare program.

2005 MEDICARE RELATIVE VALUE UNITS (RVU) & FEE CALCULATIONS

The MPFS uses a resource-based relative value scale (RBRVS) that assigns a relative value to each current procedural terminology (CPT) procedure. The relative weighting factor (relative value unit or RVU) is derived from a resource-based relative value scale **(see Table 3)**.

The RBRVS divides each procedure into three RVU components:

- The professional component also known as physician work that encompasses time, technical skill, physical effort, stress, and judgment on the part of the physician of other qualified health care professional;
- The technical component also known as practice expense that includes overhead costs and non-physician medical staff time costs; and
- The professional liability component or malpractice costs

The RVUs for the three components are summed for the CPT procedure total RVU.

There are some diagnostic tests for which the main payment is composed of all three parts, the professional/physician component, technical component and malpractice component. Audiometric procedures are composed of the technical and malpractice components only. However, CMS, through its Chicago Regional Office in September 2004, confirmed that independent private practice audiologists can be reimbursed for the global payment amount (i.e. professional, technical and malpractice components.)

2005 Conversion Factor: $37.8975

Each relative value unit (RVU) is multiplied by a **2005 Conversion Factor** of **$37.8975** to yield the fee. Payers other than Medicare that adopt these relative values may apply a higher or lower conversion factor. Rates are adjusted according to the geographic indices given in **Table 4**. Payment rates already calculated for each locality are available at http://www.cms.hhs.gov/physicians/mpfsapp/step0.asp. Click "start" at bottom of the page. Then select your geographic area for a list of exact payment rates.

TABLE 3: MEDICARE PHYSICIAN FEE SCHEDULE

Modifiers:

26 = "Professional component," the portion of diagnostic test that involves a physician's work and allocation of the practice expense.

TC = "Technical component," for diagnostic tests, the portion of a procedure that does not include a physician's participation. The TC value is the difference between the global values and the professional component (26).

No Modifier = "Global value," includes both professional and technical components.

CPT♦/HCPCS	Mod	Description	Physician Work RVUs	Non-Facility Practice Expense RVUs	Malpractice RVUs	Non-Facility Total RVUs	Fee (see geographic adjustors in table 4)
69210[4]		Remove impacted ear wax(See note in Table 2)	0.61	0.63	0.05	1.29	$48.89
92506[4]		Speech, lang., aural rehab evaluation	0.86	2.59	0.03	3.48	$131.88
92507[4]		Speech, lang., aural rehab	0.52	1.11	0.02	1.65	$62.53
92508[4]		Speech/hearing treatment, group	0.26	0.51	0.01	0.78	$29.56
92510[4]		Rehab for ear implant	1.50	2.08	0.07	3.65	$138.33
92516		Facial nerve function test	0.43	1.20	0.01	1.64	$62.15
92541		Spontaneous nystagmus test	0.40	1.03	0.04	1.47	$55.71
92541	26	Spontaneous nystagmus test	0.40	0.19	0.02	0.61	$23.12
92541	TC	Spontaneous nystagmus test	0.00	0.84	0.02	0.86	$32.59
92542		Positional nystagmus test	0.33	1.14	0.03	1.50	$56.85
92542	26	Positional nystagmus test	0.33	0.16	0.01	0.50	$18.95
92542	TC	Positional nystagmus test	0.00	0.98	0.02	1.00	$37.90
92543		Caloric vestibular test	0.10	0.57	0.02	0.69	$26.15
92543	26	Caloric vestibular test	0.10	0.05	0.01	0.16	$6.06
92543	TC	Caloric vestibular test	0.00	0.52	0.01	0.53	$20.09
92544		Optokinetic nystagmus test	0.26	0.90	0.03	1.19	$45.10
92544	26	Optokinetic nystagmus test	0.26	0.12	0.01	0.39	$14.78
92544	TC	Optokinetic nystagmus test	0.00	0.78	0.02	0.80	$30.32
92545		Oscillating tracking test	0.23	0.80	0.03	1.06	$40.17
92545	26	Oscillating tracking test	0.23	0.11	0.01	0.35	$13.26
92545	TC	Oscillating tracking test	0.00	0.69	0.02	0.71	$26.91

[4] Medicare does not cover these services under the audiology benefit.

CPT♦/HCPCS	Mod	Description	Physician Work RVUs	Non-Facility Practice Expense RVUs	Malpractice RVUs	Non-Facility Total RVUs	Fee (see geographic adjustors in table 4)
92546		Sinusoidal rotational test	0.29	1.98	0.03	2.30	$87.16
92546	26	Sinusoidal rotational test	0.29	0.13	0.01	0.43	$16.30
92546	TC	Sinusoidal rotational test	0.00	1.85	0.02	1.87	$70.87
92547		Supplemental electrical test	0.00	0.08	0.06	0.14	$5.31
92548		Posturography	0.50	2.25	0.15	2.90	$109.90
92548	26	Posturography	0.50	0.26	0.02	0.78	$29.56
92548	TC	Posturography	0.00	1.99	0.13	2.12	$80.34
92551		Pure tone hearing test, air (screening)	0.00	0.00	0.00	0.00	$0.00
92552		Pure tone audiometry, air	0.00	0.44	0.04	0.48	$18.19
92553		Audiometry, air & bone	0.00	0.66	0.06	0.72	$27.29
92555		Speech threshold audiometry	0.00	0.38	0.04	0.42	$15.92
92556		Speech audiometry, complete	0.00	0.57	0.06	0.63	$23.88
92557		Comprehensive hearing test	0.00	1.19	0.12	1.31	$49.65
92559		Group audiometric testing	0.00	0.00	0.00	0.00	$0.00
92560		Bekesy audiometry, screen	0.00	0.00	0.00	0.00	$0.00
92561		Bekesy audiometry, diagnosis	0.00	0.72	0.06	0.78	$29.56
92562		Loudness balance test	0.00	0.41	0.04	0.45	$17.05
92563		Tone decay hearing test	0.00	0.38	0.04	0.42	$15.92
92564		SISI hearing test	0.00	0.47	0.05	0.52	$19.71
92565		Stenger test, pure tone	0.00	0.40	0.04	0.44	$16.67
92567		Tympanometry	0.00	0.52	0.06	0.58	$21.98
92568		Acoustic reflex testing	0.00	0.38	0.04	0.42	$15.92
92569		Acoustic reflex decay test	0.00	0.41	0.04	0.45	$17.05
92571		Filtered speech hearing test	0.00	0.39	0.04	0.43	$16.30
92572		Staggered spondaic word test	0.00	0.09	0.01	0.10	$3.79
92573		Lombard test	0.00	0.35	0.04	0.39	$14.78
92575		Sensorineural acuity test	0.00	0.30	0.02	0.32	$12.13

CPT♦/HCPCS	Mod	Description	Physician Work RVUs	Non-Facility Practice Expense RVUs	Malpractice RVUs	Non-Facility Total RVUs	Fee (see geographic adjustors in table 4)
92576		Synthetic sentence test	0.00	0.44	0.05	0.49	$18.57
92577		Stenger test, speech	0.00	0.72	0.07	0.79	$29.94
92579		Visual audiometry (VRA)	0.00	0.73	0.06	0.79	$29.94
92582		Conditioning play audiometry	0.00	0.73	0.06	0.79	$29.94
92583		Select picture audiometry	0.00	0.89	0.08	0.97	$36.76
92584		Electrocochleography	0.00	2.47	0.21	2.68	$101.57
92585		Auditor evoke potentials, comprehensive	0.50	2.06	0.17	2.73	$103.46
92585	26	Auditor evoke potentials, comprehensive	0.50	0.21	0.03	0.74	$28.04
92585	TC	Auditor evoke potentials, comprehensive	0.00	1.85	0.14	1.99	$75.42
92586		Auditor evoke potentials, limit	0.00	1.85	0.14	1.99	$75.42
92587		Evoked autoacoustic emiss, limited	0.13	1.37	0.12	1.62	$61.39
92587	26	Evoked autoacoustic emiss, limited	0.13	0.06	0.01	0.20	$7.58
92587	TC	Evoked autoacoustic emiss, limited	0.00	1.31	0.11	1.42	$53.81
92588		Evoked autoacoustic emiss, comp.	0.36	1.63	0.14	2.13	$80.72
92588	26	Evoked autoacoustic emiss, comp.	0.36	0.16	0.01	0.53	$20.09
92588	TC	Evoked autoacoustic emiss, comp.	0.00	1.47	0.13	1.60	$60.64
92596		Ear protector evaluation	0.00	0.59	0.06	0.65	$24.63
92601		Cochlear implant follow-up exam, pt under 7 yrs of age	0.00	3.50	0.07	3.57	$135.29
92602		Reprogram cochlear implant, pt under 7 yrs of age	0.00	2.38	0.07	2.45	$92.85
92603		Cochlear implant follow-up exam, pt 7 yrs of age or older	0.00	2.14	0.07	2.21	$83.75
92604		Reprogram cochlear implant, pt 7 yrs of age or older	0.00	1.35	0.07	1.42	$53.81
92620		Auditory function, 60 min	0.00	1.14	0.06	1.20	$45.48
92621		Auditory function, + 15 min	0.00	0.25	0.06	0.31	$11.75
92625		Tinnitus assessment	0.00	1.12	0.06	1.18	$44.72
95920		Intraop nerve test add-on	2.11	2.24	0.23	4.58	$173.57

CPT♦/HCPCS	Mod	Description	Physician Work RVUs	Non-Facility Practice Expense RVUs	Malpractice RVUs	Non-Facility Total RVUs	Fee (see geographic adjustors in table 4)
95920	26	Intraop nerve test add-on	2.11	0.93	0.16	3.20	$121.27
95920	TC	Intraop nerve test add-on	0.00	1.31	0.07	1.38	$52.30
95925		Somatosensory testing	0.54	1.13	0.10	1.77	$67.08
95925	26	Somatosensory testing	0.54	0.22	0.04	0.80	$30.32
95925	TC	Somatosensory testing	0.00	0.91	0.06	0.97	$36.76
95926		Somatosensory testing	0.54	1.14	0.09	1.77	$67.08
95926	26	Somatosensory testing	0.54	0.23	0.03	0.80	$30.32
95926	TC	Somatosensory testing	0.00	0.91	0.06	0.97	$36.76
95927		Somatosensory testing	0.54	1.16	0.09	1.79	$67.84
95927	26	Somatosensory testing in the trunk or head	0.54	0.25	0.03	0.82	$31.08
95927	TC	Somatosensory testing in the trunk or head	0.00	0.91	0.06	0.97	$36.76
95930		Visual evoked potential test	0.35	2.24	0.03	2.62	$99.29
95930	26	Visual evoked potential test	0.35	0.15	0.02	0.52	$19.71
95930	TC	Visual evoked potential test	0.00	2.09	0.01	2.10	$79.58
95934		H-reflex test	0.51	0.43	0.04	0.98	$37.14
95934	26	H-reflex test	0.51	0.22	0.02	0.75	$28.42
95934	TC	H-reflex test	0.00	0.21	0.02	0.23	$8.72
95936		H-reflex test, not g/s muscle	0.55	0.45	0.05	1.05	$39.79
95936	26	H-reflex test, not g/s muscle	0.55	0.24	0.03	0.82	$31.08
95936	TC	H-reflex test, not g/s muscle	0.00	0.21	0.02	0.23	$8.72
95937		Neuromuscular junction test	0.65	0.61	0.09	1.35	$51.16
95937	26	Neuromuscular junction test	0.65	0.27	0.07	0.99	$37.52
95937	TC	Neuromuscular junction test	0.00	0.34	0.02	0.36	$13.64

GEOGRAPHIC ADJUSTMENT CALCULATIONS

Note: The method for calculating geographic adjustments is illustrated below. Precise payment rates by locality are available at www.cms.hhs.gov/physicians/mpfsapp/step0.asp. Click on "Start" at the bottom of the page. Then click "List of HCPC codes" and "Specific locality" to find your rate.

EXAMPLE: ***Calculating geographic adjustments***

CPT Description and Geographic Index	Work RVUs		Practice RVUs		Malpractice RVUs	Total RVUs		2005 Conversion Factor		Adjusted Fee
CPT 92567 Tympanometry →	0.00		0.52		0.06					
Alabama index →	X1.000		x0.858		x0.752					
Alabama RVUs →	0.000	+	0.44616	+	0.04512	= 0.49128	x	37.8975	=	**$18.69**

TABLE 4: 2005 GEOGRAPHIC COST INDICES

Carrier No.	Locality No.	Locality Name	Work[5]	Practice Expense	Malpractice
00510	00	Alabama	1.000	0.858	0.752
00831	01	Alaska[6]	1.670	1.670	1.670
00832	00	Arizona	1.000	0.985	1.069
00520	13	Arkansas	1.000	0.839	0.438
31146	26	Anaheim/Santa Ana, CA	1.036	1.210	0.954
31146	18	Los Angeles, CA	1.049	1.147	0.954
31140	03	Marin/Napa/Solano, CA	1.025	1.294	0.651
31140	07	Oakland/Berkley, CA	1.048	1.303	0.651
31140	05	San Francisco, CA	1.064	1.501	0.651
31140	06	San Mateo, CA	1.061	1.484	0.639
31140	09	Santa Clara, CA	1.073	1.460	0.604
31146	17	Ventura, CA	1.028	1.152	0.744
31146	99	Rest of California*	1.007	1.043	0.733
31140	99	Rest of California*	1.007	1.043	0.733
00824	01	Colorado	1.000	1.003	0.803
00591	00	Connecticut	1.044	1.163	0.900
00902	01	Delaware	1.016	1.026	0.892
00903	01	DC + MD/VA Suburbs	1.049	1.208	0.926
00590	03	Fort Lauderdale, FL	1.000	1.003	1.703
00590	04	Miami, FL	1.008	1.049	2.269
00590	99	Rest of Florida	1.000	0.940	1.272
00511	01	Atlanta, GA	1.008	1.074	0.966

[5] 1.0 Floor on Work GPCI set by MMA.
[6] 1.67 Floor on all Alaska indices set by MMA.
* States are served by more than one carrier

Carrier No.	Locality No.	Locality Name	Work[5]	Practice Expense	Malpractice
00511	99	Rest of Georgia	1.000	0.882	0.966
00833	01	Hawaii/Guam	1.001	1.118	0.800
05130	00	Idaho	1.000	0.874	0.459
00952	16	Chicago, IL	1.027	1.109	1.867
00952	12	East St. Louis, IL	1.000	0.931	1.750
00952	15	Suburban Chicago, IL	1.012	1.093	1.652
00952	99	Rest of Illinois	1.000	0.881	1.193
00630	00	Indiana	1.000	0.914	0.436
00826	00	Iowa	1.000	0.872	0.589
00650	00	Kansas*	1.000	0.887	0.721
00740	04	Kansas*	1.000	0.887	0.721
00660	00	Kentucky	1.000	0.860	0.873
00528	01	New Orleans, LA	1.000	0.945	1.197
00528	99	Rest of Louisiana	1.000	0.858	1.058
31142	03	Southern Maine	1.000	1.006	0.637
31142	99	Rest of Maine	1.000	0.898	0.637
00901	01	Baltimore/Surr. Cntys, MD	1.017	1.058	0.947
00901	99	Rest of Maryland	1.000	0.976	0.760
31143	01	Metropolitan Boston	1.036	1.284	0.823
31143	99	Rest of Massachusetts	1.009	1.116	0.823
00953	01	Detroit, MI	1.040	1.046	2.744
00953	99	Rest of Michigan	1.000	0.929	1.518
00954	00	Minnesota	1.000	0.990	0.410
00512	00	Mississippi	1.000	0.838	0.722
00740	02	Metropolitan Kansas City, MO	1.000	0.971	0.946
00523	01	Metropolitan St. Louis, MO	1.000	0.946	0.941
00523	99	Rest of Missouri*	1.000	0.813	0.892
00740	99	Rest of Missouri*	1.000	0.813	0.892
00751	01	Montana	1.000	0.860	0.904
00655	00	Nebraska	1.000	0.876	0.454
00834	00	Nevada	1.004	1.041	1.068
31144	40	New Hampshire	1.000	1.029	0.942
00805	01	Northern NJ	1.058	1.207	0.973
00805	99	Rest of New Jersey	1.036	1.115	0.973
00521	05	New Mexico	1.000	0.893	0.895
00803	01	Manhattan, NY	1.079	1.324	1.504
00803	02	NYC Suburbs/Long I., NY	1.060	1.266	1.785
00803	03	Poughkpsie/N NYC Suburbs, NY	1.013	1.074	1.167
14330	04	Queens, NY	1.045	1.228	1.710
00801	99	Rest of New York	1.000	0.930	0.677
05535	00	North Carolina	1.000	0.925	0.640
00820	01	North Dakota	1.000	0.870	0.602
00883	00	Ohio	1.000	0.938	0.976
00522	00	Oklahoma	1.000	0.865	0.382
00835	01	Portland, OR	1.000	1.053	0.441

* States are served by more than one carrier.

Carrier No.	Locality No.	Locality Name	Work[5]	Practice Expense	Malpractice
00835	99	Rest of Oregon	1.000	0.929	0.441
00865	01	Metropolitan Philadelphia, PA	1.020	1.098	1.386
00865	99	Rest of Pennsylvania	1.000	0.916	0.806
00973	20	Puerto Rico	1.000	0.705	0.261
00870	01	Rhode Island	1.031	1.027	0.909
00880	01	South Carolina	1.000	0.898	0.394
00820	02	South Dakota	1.000	0.877	0.365
05440	35	Tennessee	1.000	0.890	0.631
00900	31	Austin, TX	1.000	1.021	0.986
00900	20	Beaumont, TX	1.000	0.875	1.298
00900	09	Brazoria, TX	1.006	0.970	1.298
00900	11	Dallas, TX	1.010	1.063	1.061
00900	28	Fort Worth, TX	1.000	0.985	1.061
00900	15	Galveston, TX	1.000	0.960	1.298
00900	18	Houston, TX	1.018	1.011	1.297
00900	99	Rest of Texas	1.000	0.873	1.138
00910	09	Utah	1.000	0.939	0.662
31145	50	Vermont	1.000	0.977	0.514
00973	50	Virgin Islands	1.000	1.018	1.003
00904	00	Virginia	1.000	0.939	0.579
00836	02	Seattle (King Cnty), WA	1.010	1.115	0.819
00836	99	Rest of Washington	1.000	0.975	0.819
00884	16	West Virginia	1.000	0.835	1.547
00951	00	Wisconsin	1.000	0.924	0.790
00825	21	Wyoming	1.000	0.874	0.935

HOSPITAL OUTPATIENT PROSPECTIVE PAYMENT SYSTEM

Payment for hospital-based outpatient audiology services are made under the hospital Outpatient Prospective Payment System (OPPS). Under OPPS, payment is determined by assignment of the CPT code to an Ambulatory Payment Classification (APC). For each of the over 450 APCs, the payment rate reflects historic costs gathered from all acute care hospitals. Note that speech-language pathology services are paid using the Medicare Physician Fee Schedule in the hospital outpatient setting.

2005 Developments

Cochlear Implant Follow-Up - CPT 92601- 92604

In 2004, ASHA argued that reimbursement for CPT 92601 –92604 was unreasonably low given the time, complexity, and resources involved. In the final rule, CMS agreed and followed ASHA's recommendation by creating a new Ambulatory Payment Classification (APC), Level III Audiometry, which is reimbursed at $104.92. The cochlear procedures were previously assigned to the Level II Audiometry APC, reimbursed at $72.61.

Cochlear Implantation - CPT 69930

CMS increased the payment rate for cochlear implantation by almost 15 percent to approximately $26,000. ASHA argued in its comments to CMS that after cost of the device, the 2004 payment amount did not cover associated surgical expenses. Therefore, the rates should be raised to include both the cost of the cochlear implant device and the associated surgical expenses. Physicians' surgical expenses have been and continue to be covered separately under the MPFS.

TABLE 5: HOSPITAL OUTPATIENT PROSPECTIVE PAYMENT SYSTEM (OPPS) RATES FOR AUDIOLOGY SERVICES

CPT♦/ HCPCS	Description	Ambulatory Payment Classification	Payment Rate subject to geographic adjustors	Copayment * indicates no geographic adjustor is applicable
92516	Facial nerve function test	0660	$97.21	$30.66
92541	Spontaneous nystagmus test	0363	$49.31	17.44
92542	Positional nystagmus test	0363	$49.31	$17.44
92543	Caloric vestibular test	0363	$49.31	17.44
92544	Optokinetic nystagmus test	0363	$49.31	17.44
92545	Oscillating tracking test	0363	$49.31	17.44
92546	Sinusoidal rotational test	0660	$97.21	30.66
92547	Supplemental electrical test	0363	$49.31	17.44
92548	Posturography	0660	$97.21	30.66
92551	Pure tone hearing test, air (screening)	- - - - - -		

CPT♦/ HCPCS	Description	Ambulatory Payment Classification	Payment Rate subject to geographic adjustors	Copayment * indicates no geographic adjustor is applicable
92552	Pure tone audiometry, air	0364	$27.16	$9.06
92553	Audiometry, air & bone	0365	$72.61	18.95
92555	Speech threshold audiometry	0364	$27.16	$9.06
92556	Speech audiometry, complete	0364	$27.16	$9.06
92557	Comprehensive hearing test	0365	$72.61	18.95
92559	Group audiometric testing	- - - - -		
92560	Bekesy audiometry, screen	- - - - -		
92561	Bekesy audiometry, diagnosis	0365	$72.61	18.95
92562	Loudness balance test	0364	$27.16	$9.06
92563	Tone decay hearing test	0364	$27.16	$9.06
92564	SISI	0364	$27.16	$9.06
92565	Stenger test, pure tone	0364	$27.16	$9.06
92567	Tympanometry	0364	$27.16	$9.06
92568	Acoustic reflex testing	0364	$27.16	$9.06
92569	Acoustic reflex decay test	0364	$27.16	$9.06
92571	Filtered speech hearing test	0364	$27.16	$9.06
92572	Staggered spondaic word test	0364	$27.16	$9.06
92573	Lombard test	0364	$27.16	$9.06
92575	Sensorineural acuity test	0365	$72.61	$18.95
92576	Synthetic sentence test	0364	$27.16	$9.06
92577	Stenger test, speech	0365	$72.61	$18.95
92579	Visual audiometry (VRA)	0365	$72.61	$18.95
92582	Conditioning play audiometry	0365	$72.61	$18.95
92583	Select picture audiometry	0364	$27.16	$9.06

CPT♦/ HCPCS	Description	Ambulatory Payment Classification	Payment Rate subject to geographic adjustors	Copayment * indicates no geographic adjustor is applicable
92584	Electrocochleography	0660	$97.21	$30.66
92585	Auditor evoke potentials, comprehensive	0216	$150.20	$67.98
92586	Auditor evoke potentials, limited	0218	$65.20	*$13.04
92587	Evoked otoacoustic emiss, limited	0363	$49.31	$17.44
92588	Evoked otoacoustic emiss, comp.	0363	$49.31	$17.44
92589	Auditory function test(s)	0364	$27.16	$9.06
92596	Ear protector evaluation	0365	$72.61	$18.95
92601	Cochlear implant follow-up exam, pt under 7 yrs of age	0366	$104.92	$30.04
92602	Reprogram cochlear implant, pt under 7 yrs of age	0366	$104.92	$30.04
92603	Cochlear implant follow-up exam, pt 7 yrs of age or older	0366	$104.92	$30.04
92604	Reprogram cochlear implant, pt 7 yrs of age or older	0366	$104.92	$30.04
95920	Intraop neurophysiology testing, per hour	0216	$150.20	$67.98
95925	Somatosensory testing; in upper limbs	0216	$150.20	*$30.04
95926	Somatosensory testing; in lower limbs	0216	$150.20	*$30.04
95927	Somatosensory testing; in the trunk or head	0216	$150.20	*$30.04
95930	Visual evoked potential test	0218	$65.20	*$13.04
95934	H-reflex test	0215	$35.23	$15.76
95936	H-reflex test, not g/s muscle	0215	$35.23	$15.76
95937	Neuromuscular junction test	0218	$65.20	*$13.04

TABLE 6: AMBULATORY PAYMENT CLASSIFICATIONS (APCs) FOR AUDIOLOGY SERVICES

APC	Group Title
0215	Level I Nerve and Muscle Tests
0216	Level III Nerve and Muscle Tests
0218	Level II Nerve and Muscle Tests
0363	Level I Otorhinolaryngologic Function Tests
0364	Level I Audiometry
0365	Level II Audiometry
0366	Level III Audiometry
0660	Level II Otorhinolaryngologic Function Tests

Medicare Handbook for Audiologists

ASHA will be releasing a new Medicare Handbook in early 2005. This resource will be your dependable guide as you navigate through the Medicare maze. The complexities of Medicare are simplified and organized into eleven chapters for quick reference. The introductory chapter discusses Medicare and audiology in general, the authority of national and local Medicare policymakers, and basic rules common to all provider settings. Coverage and payment rules are addressed separately for each provider setting. The handbook is also a complete source for rules applicable to coding in claim forms, appealing denials, and defining fraud and abuse. To check for availability, call ASHA Product Sales at 888-498-6699 or at http://www.asha.org/shop.